

BILL ANALYSIS

Senate Research Center

C.S.S.J.R. 25

By: Staples

Finance

3/12/2003

Committee Report (Substituted)

DIGEST AND PURPOSE

During the 77th Legislative Session, the legislature created an exemption for travel trailers from ad valorem taxes except at the school district level. Upon adoption of the constitutional amendment in November 2001, it became apparent that what was thought to be an exemption was actually adding individuals to the tax roles. C.S.S.J.R. 25 requires the submission to the voters of a constitutional amendment authorizing the legislature to exempt from ad valorem taxation certain travel trailers not held or used for the production of income.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 1(d), Article VIII, Texas Constitution, to authorize the legislature by general law to exempt from ad valorem taxation, subject to Subsections (e) and (g) of this section and in addition to other exemptions, all other tangible personal property, except structures which are substantially affixed to real estate, rather than personal property, and are used or occupied as residential dwellings and except property held or used for the production of income.

SECTION 2. Repealer: Section 1(j), Article VIII, Texas Constitution (Certain Tangible Personal Property Exempt from Ad Valorem Taxation.)

SECTION 3. Amends Section 1, Article VIII, Texas Constitution, by adding Subsection (i-1), as follows:

(i-1) TEMPORARY PROVISION. (a) Provides that this temporary provision applies to the constitutional amendment proposed by the 78th Legislature, Regular Session, 2003, authorizing the legislature to exempt from ad valorem taxation a travel trailer not held or used for the production of income and expires January 1, 2005.

(b) Provides that the amendment to Section 1(d), Article VIII, of this constitution, takes effect January 1, 2004, and applies only to a tax year that begins on or after January 1, 2002. Provides that the repeal of Section 1(j), Article VIII, of this constitution, takes effect January 1, 2004.

SECTION 4. Requires this proposed constitutional amendment to be submitted to the voters at an election to be held November 4, 2003. Requires the ballot to be printed to permit voting for or against a certain proposition.

SUMMARY OF COMMITTEE CHANGES

SECTION 1. Differs from original Section 1(d)(2) Article VIII, Texas Constitution, by replacing “personal property” with “substantially affixed to real estate” in this bill.